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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 000754

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SUBJECT: DIRECTOR'S FAREWELL CALL ON DPP CHAIR TSAI ING-WEN

Classified By: AIT Director Stephen M. Young,

Reasons: 1.4 (b/d)

¶1. (C) Summary. The opposition DPP will issue a call for fairness in Taiwan's judicial system and for former President Chen Shui-bian's immediate release from detention, party Chair Tsai Ing-wen told the Director during his June 22 farewell call. The party's proposed referendum on a planned Economic Cooperation Framework Agreement (ECFA) with China is aimed, in part, at slowing down President Ma's bid to deepen ties with the PRC, explained DPP International Affairs Director Bikhim Hsiao, also present in the meeting. The DPP can easily gather enough signatures to table a referendum, Tsai said, but faces challenges in the approval and voting stages. Looking further ahead, Tsai was optimistic that the DPP will be competitive in 2012 and 2016 legislative and presidential elections. Shorter term, Tsai hinted she may not run again for party chair in May 2010. End summary.

"Save A-bian"

¶12. (C) The Democratic Progressive Party (DPP) is working on a plan to "save A-bian," party Chair Tsai Ing-wen told the Director on June. Former President Chen Shui-bian's ongoing detention has gone beyond legal justification, she said, and the DPP will take more action to fight for fairness and justice in Taiwan's courts. (Note: Chen has been in detention, with one short break, since November 12, 2008) It is time to tell the public it cannot rely on the judiciary, she stressed. To bolster the DPP's cause and emphasize that it is not simply a partisan political squabble, Tsai said, she invited prominent non-DPP members to call for greater impartiality in the judicial system and for Chen's immediate release.

¶13. (C) President Ma Ying-jeou could do something about the "mis-administration" of justice in Chen's case, Tsai insisted. Moreover, the perjury charges against Chen's family members are weak. These charges were made to put pressure on Chen's family and encourage Chen to plead guilty, claimed DPP International Affairs Director Bikhim Hsiao, also present in the meeting. (Note: Subsequent to this meeting, Chen's son, daughter and son-in-law admitted in court on June 22 to giving false testimonies during investigations of the family's alleged corruption and money-laundering operations.)

¶14. (C) The DPP has told Chen he should continue his legal defense, Hsiao said, pointing out that Chen's recent tactic

of remaining silent and not communicating with his court-appointed lawyers was an effort to speed up the first trial. Chen is resigned to the idea that he will be found guilty, Hsiao suggested, and wants to get the first trial over with so he can start preparing his defense for the second trial. (Note: Taiwan court cases generally go through three stages of trials.) As Chen's case drags on, it will continue to undermine DPP unity, Tsai admitted. While there is consensus within the party that Chen's detention is wrong, views differ over whether Chen is innocent or guilty.

"The Chinese Are Coming"

¶5. (C) President Ma plans to open Taiwan up to China as much as possible, Tsai said, with relaxation of restrictions on investment in sensitive sectors such as telecommunications, transportation, air- and seaports coming within a month. China, Hsiao suggested, is pushing Taiwan toward unification.

"The Chinese are coming," Tsai warned, calling the growing danger the cost of deepening ties with the PRC. With the Taiwan economy in difficult straits, she added, people do not have a choice and will work with anyone who can pay them.

Slow'em Down With ECFA Referendum

¶6. (C) Beijing is pressuring Taiwan to accelerate plans to reach agreement on the Taiwan-China Economic Cooperation Framework Agreement (ECFA) proposed by President Ma, Tsai suggested. In response, to pressure the administration and

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slow down the tightening of links with China, the DPP is pushing a referendum on the ECFA, explained Hsiao. The party should easily be able to collect the roughly 100,000 signatures needed to apply to hold such a referendum, Tsai suggested. If the Legislative Yuan Referendum Review Committee approves the referendum topic, the DPP will also be able to collect the roughly 1,000,000 signatures, or 5 percent of eligible voters plus a cushion for invalid signatures, needed to put the referendum to a vote. That said, Tsai predicted that challenges would come at either the approval or voting stages. Nonetheless, if a vote is held, Tsai said, a turnout of 40-45 percent would be "good." (Comment: This benchmark probably is based on previous DPP referenda, which have garnered only 35 percent of the vote.) Identifying the referendum as a "Green" (i.e., DPP) issue, Tsai admitted, would discourage "Blue" (i.e., KMT) voters from turning out.

Looking Ahead

¶7. (C) Asked how the party will reconstitute itself as a serious political force, Tsai said the DPP would aim to strengthen its presence in local governments but also the Legislative Yuan (LY). The DPP hopes to win 10 additional seats in the LY in 2012 and aims to garner half of the seats and seriously contest the presidency in 2016. (Note: The DPP currently holds 27 of the 113 LY seats.) The DPP presidential candidate would have a better shot in 2016 than in 2012, Tsai acknowledged, while noting that DPP heavyweights You Shyi-kun, Frank Hsieh, Su Tseng-chang and former Vice President Annette Lu all are considering a bid for the presidency in 2012.

¶8. (C) The Director again asked Tsai about the prospects of a meaningful dialogue with President Ma, and Tsai again signalled skepticism that anything good could come of this. The Director cautioned that absence of dialogue across partisan lines has proven a dangerous trend in young democracies elsewhere, and urged Tsai to find some way to keep lines of communication open. But it seems clear no Tsai-Mai dialogue is likely in the immediate future.

Comment

¶9. (C) Tsai was in good spirits throughout the meeting. She acknowledged ongoing frictions within the party and the tough nature of her job as chair. Some of her remarks suggested that she may not be interested in seeking a second term when her current tenure ends in May 2010. Tsai has repeatedly had to adjust her plans to run the party given the constant changes in Taiwan and DPP politics. She had originally voiced to us her intent to keep her and the party's distance from Chen and wait to see how the first trial ends. But she now finds herself overseeing a plan to urge fairness in Taiwan's judicial system and Chen's immediate release. Perhaps these efforts will appease some of the elements within the party that had been pressuring her to do more on Chen's behalf but also present to the general Taiwan public the DPP as a party able to champion causes other than sovereignty. At the same time, however, the admission of perjury by Chen's son, daughter and son-in-law may increase the risk of such a strategy.

YOUNG